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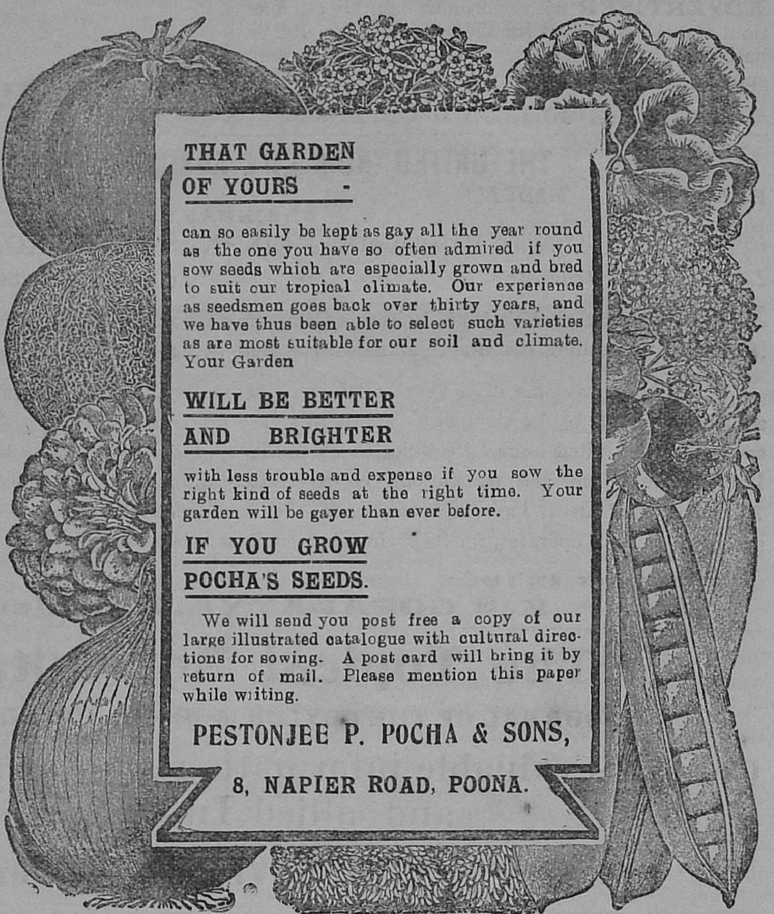

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FORTNIGHTLY BUSINESS REVIEW

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AGENCY.

By. Mr. R. Anantaram B. Com., F.R.E.S.

In general terms an agent is one who does an act on behalf of another in dealing with 3rd parties, in so far as business transactions are carried out into effect. He binds the principal by doing authorised acts, expressly or implicitly, and hence it is absolutely necessary to carefully note the nature and extent of authority imposed. The agent of a Joint Stock company or a banker or a general agent such as the Manager of a branch firm or a special agent appointed to work a particular errand, does not form the subject matter of this chapter ; but the duties and caution to be observed by a business agent, a sole agent and a commission agent form the topic of discussion here.

Let us first consider a factor who is employed to sell goods consigned to him for a compensation. Such an Agent has by law the right of possession insurable, interest, lien etc., and he is empowered to sell in his own name and also to make advances whenever necessary. In undertaking this class of agency it is necessary to note that the Agent should possess a decent amount of capital of his own and he should do some amount of canvassing work in effecting sales to know persons who command good credit. It is preferable to sell goods for cash as far as possible and also to make as little of advances as the nature of the turnover is expected to be.

A broker is generally emyloyed to make bargains and contracts in trade and commerce between 2 parties. The first caution he is expected to take is the methodic preparation of the bought and sold notes which are given to the seller and the buyer and the necessary memoranda, so as to avoid changes for future litigation. He enjoys no right of possession of goods and as such his responsibilities in this direction are considerably less than that of a factor.

A broker should attempt to satisfy the buyers in particular so as to ensure the quality of the article of sale and to be very careful in bringing the buyers before proper and respectable sellers and he need collect his commission in advance before the actual sale is effected. He should study the tones of the local and the outside markets and quote comparative rates to the sellers to strike a nominal rate of sale.

A commission Agent acts for a foreign principal and he cannot like a broker establish a privity of contract and he also must buy in his own name. Hence, this person must be overcareful in marshalling entries in his books of account and his chief work lies in properly canvassing and in creating popularity.

A *del credere* Agent is one who undertakes to indemnify the Principal for the failure in payment by any buyer, for which an extra commission is paid for the extra risk undertaken. It is necessary to bear in mind that at least one half of the percentage of the usual business commission charged should go towards the additional risk undertaken in cases where a long period of credit is allowed to the purchaser ; but in all the other cases where the period of credit is less than 3 months after the date of the sale and where the party to whom credit is allowed commands sound bank references only one fourth of the original rate of commission may be fixed as the upper limit of *delcredere* charged.

If with the knowledge of the Principal and in pursuance of the powers conferred by section 190 of the Contract Act, a Sub-agent is appointed by any agent then he should always be on the alert to define the nature of business and accounts to be rendered by the Sub-agent in order to see that the Principal and agent do business methodically. No advances should be made to the Sub-agent and canvassing powers shall not be entrusted to him.

In addition to the above named classes of business agents and the caution they have to take in systematically conducting their business, it is interesting to mention briefly how the routine accounts ought to be maintained by purchasing and selling agents. In the case of the purchasing Agents, the first business is to presscopy the order form at the place where the order is issued for subsequent reference. The agent should send in quotations and then he must file the rate list with the original order form. After the rates are accepted the purchases should be made and then the ordinary or the *pro forma* invoice should be made out showing the *actual cost*, incidental charges and the commission and alongside of this entries must be made in the Bills Receivable book and intimation thereof must be made to the Principal for advances made.

Though selling agents have not got so much of pecuniary responsibility, yet their position as trustees of moneys collected and the production of proper and timely entries in the bills payable book is a noteworthy point. Vouchers and receipts and bank remittances should be properly filed and the commission and the *del credere* if any must always be deducted in advance before rendering the final accounts. The register of personal accounts, however, should be kept confidential.

TRAVANCORE FLOATATIONS.

During the 3 months ending 13th January 1921, 18 Joint Stock Companies with an aggregate capital of Rs. 35,89,980 have been registered, of which some of the big concerns are the South Indian Commercial Co. Ltd., Alleppey, the Perinad Plantations Ltd., Mavelikara and the Travancore Timber Trust Ltd., Kottayam.

PROGRESS OF COMPANIES.

During the past 2 years of the "Company Boom," Companies were registered in thousands. The speed at which new floatations have been registered has considerably retarded. It is now high time to watch their progress and dividends. It may be pointed out from experience that such Companies have either commenced business with insufficient capital or are managed by persons of no experience of the business for which they have been started. Times without number complaints were made of the want of enterprise in the country and that capital was shy or hoarded up. When companies have been actually floated, it is nothing but shortsightedness to allow them to be wound up for want of adequate capital or proper management. There are very few Companies in this country looking to the Department of Industries for any assistance or advice in the matter of the development of Industries. Even if it be possible to enact laws fixing adequate minimum subscription to commence business or insisting on expert report for every Industrial Company started, failures are bound to come and penalties and prosecutions will result. Shareholders have the power to remove the Managing Agents or Directors whenever they are found incapable or undesirable. Several Companies have of late issued their prospectuses, providing therein for a monthly allowance of Rs. 1000 or upwards from date of incorporation. Whether the Companies did work or not, it is a legitimate expense according to the bye-laws ; whether they are morally justified in making such charges is a different matter. Under these circumstances, it is open to the share-holders to enquire into the affairs and to wind up such concerns before it is too late. The Indian Chambers of Commerce should take upon themselves the responsible task of assisting the industrial and other Joint Stock concerns from the point of national or common interest by making investigations into such companies and affording them useful information and advice for the successful working of such companies. What is really wanted is an active organisation conducted and controlled by the people with a view to assist the companies by means of information and advice.

THE RAILWAY COMMITTEE.

Sir M. Dadabhoy of Nagpore said in his evidence at the Railway Committee :—

"I am inclined to the view that state-owned railways should be worked by companies rather than by the State. There has of late been, especially since the war, a good deal of strong feeling in almost all civilised countries in favour of the nationalisation of railways. India had not been outside the current. Even before the war State ownership with State management was favoured in many countries of Europe. The question of State ownership has practically been determined in India in a manner consistent with the wishes of the public. The only question open to debate is that of management and this cannot be determined on general principles only. The whole point is one of comparative merit. Judging from experience it it by no means certain that State management is most advantageous to the travelling public and trade.

"My experience about movement of goods is derived from my operation as a proprietor or lessee of coal and manganese mines and manager of mills. On this point I am not in a position to institute a comparison between the two classes of management, but Company management does not appear to fall short of the Indian standard. There is undoubtedly ample scope for improvement both in regard to safety and quickness in transit. The rates charged cannot vary to a large extent under State and Company management. No company is likely to maintain a schedule more onerous than that adopted by the state in India. Practical uniformity in this matter is secured on all systems of railways by the legisture. Goverment have large powers of control over rates.

"There may, however, be weighty reasons unconnected with efficiency for a change in the present system of management. The companies enjoy complete freedom as regards choice of staff and this might and does operate in some measure as restrictive of the right of free and full employment of Indians on the railways. The higher ranks are generally staffed by Europeans. This is a source of grievance to Indians and there is considerable soreness of feeling on the subjcet. But besides the adoption of a more and more progressive policy by the different companies in the matter of employment of indigenous talent with the gradual improvement in the nature of the education of Indians and increasing limitations to the supply of European labour due as much to the war as to industrial expansion throughout the civilised world, qualified Indians stand a fairly good chance in the competition. Companies work for profit and they are not likely to settle their budget of expenditure on establishments on racial grounds alone. Even if they do not of their own motion adopt a more liberal policy their hands can be forced by arrangements at every renewal of contract. Government after all have got the power to enforce their will and companies will ultimately find it to their interest to surrender a part of their present freedom even in the choice of staff. With the gradual evolution of responsible government in India Government will not be slack to take full advantage

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of their position as arbiter. Already there is evidence of a healthy change in the policy of the companies. Indians are being appointed in larger numbers in responsible positions of company-managed railways and arrangements are being made for the training of Indian apprentices in the technicalities of the subject. Other advantages assure the case for a change in management, for the facility of the employment of Indian talent is thus weaker now than it was before.

"State management is justified by its protagonists for increased revenue through elimination of the company's share. There is much to be said in support of this view, but there are important considerations on the other side as well. State management of commercial concerns is not likely to be actually economical with company management. Companies working for profit are expected to make economy their first object. The state cannot regulate its budget on such a narrow basis. The cost of establishment must of necessity be larger under state management. The scale of salaries will be determined not only by the principle of supply and demand as under company management but also in view of the scales prevalent in similar technical departments of Government.

"I am opposed to extension. I would for the present not encourage the idea of making ampler provision for construction. On the question of additional resources in the abstract the only suggestion that can be made is that of a special railway cess collected along with the land revenue. But such a cess would be so unpopular and so inequitable in its evidence that no responsible statesman would think of imposing it upon an already overtaxed people. The idea must be abandoned. The Government of India's annual borrowings are mostly for capital expenditure upon railway and irrigation for the ordinary expenditure of which the revenues are generally sufficient. If, therefore, borrowing on railway account is eliminated the necessity for loans is negligible. Railway loans cannot accordingly interfere to any extent with the ordinary loan of the Government of India. The budget for railway expenditure capital account has been ample. They failed, it is true, to satisfy the needs of the large schemes for extension which its protagonists have in view.

"The question of strengthening the Government resources for railway purposes should not be debated now, especially in view of the fact that under the reform scheme money is urgently wanted for a number of wholesome purposes to which the people attach the greatest importance. The attempt to increase the supply of funds for railway purposes, be it by additional taxation in the shape of increased railway rates or by increased budget allotments, will be viewed with suspicion by the Indian public and will lead to agitation of a disagreeable character. They consider that it is undesirable to entrust the management to a company domiciled in England and with a board sitting in London as such a course is inconsistent with Government's accepted policy of developing responsible institutions locally in India. In actual working it is becoming increasingly difficult in these days of labour and economic trouble for a company sitting in London to dirctly manage railways at a distance of 6,000 miles. The chambers urge the necessity for the association of experienced commercial men in the railway board and in this connection would draw the attention of the railway committee to the following resolution adopted by the Associated Chamber of India and Ceylon at their Conference held in February, 1920:

'That this conference recommends to the Government of India that the recommendation for the Indian Industrial Commission about the desirability of appointing a non-official commercial member on the railway board be given effect to at the earliest possible date. The existing railway board should be constituted a department of the Government of India with a minister having a seat in the Council and secretaries to deal with the various branches of railway construction and working.'

"The chamber are of opinion that the supply of funds for new construction and improvement of existing railways has not been adequate in the past. They are also of opinion that the maximum recommended by the Inchcape Commission is out of date and that a capital programme of 25 to 30 crores a year should be drawn up to remedy the inactivity during the war. They would also urge that if at any particular year the full amount allotted for capital expenditure on railways is not spent the lapse should be carried forward and made available for expenditure in the following years.

"The chamber support the principle that the available capital funds should for the present be devoted to the improvement of existing railways and the provision of an adequate supply of rolling stock. Capital funds should be raised entirely by Government at best rate obtainable either in England or in India. These funds should not be merged into the Indian budget nor should they be utilised for any purpose other than railways. The chamber do not favour the policy of raising capital by means of the branch line. The formation of private companies for the purpose of financing the construction of new lines should be discontinued. The promoters of these companies receive a handsome commission which would be saved if Government raised the necessary capital. The directors and managing agents take a good slice out of the net earning and the poor shareholders have to be content with a modest dividend and depreciated scraps of paper.

"It is the duty of Government to provide communications to help in the development of the country. Private enterprise and capital should be purchased by Government and merged into their parent lines. The capital thus set free would find its way into industries and thus benefit the country.

The chamber are in favour of all the funds required for capital expenditure on railways being raised direct by the Government of India or by the Secretary of State for India in the best possible terms. The chamber are distinctly of opinion that making the railway capital programme dependent on the general revenue position of the Government of India, has been detrimental to railway improvement and development, because in the case of war or famine the railway budget is curtailed, work is dislocated and the completion of projects delayed considerably, thus involving a loss in the shape of interest on unremunerative capital.

"In view of the increased rate of interest at which capital can now be raised coupled with increased cost of working it appears to the chamber that rates and fares on railways must be enhanced to prevent railways being a burden on the general tax-payer. The statement indicates that company working is more beneficial to Government than state management. The chamber would venture to point out that the comparison is not a fair one in as much as the state-managed railways presumably include expensive military railways on the N. W. Frontier which give little or no return of the capital invested in them.

"The chamber are of opinion that the railway budget which should be entirely distinct from and independent of the management, may in some particulars be also wasteful and arbitrary companies have to work under Government control. The state especially in India is responsible to no authority. The lay public cannot profitably interfere in matters requiring technical knowledge. Even in advanced countries of the West with a large percentage of intelligent, active and politically-minded people, management by the state is free from restrictions necessary for efficiency and economy. The staff too has a tendency to become unnecessarily large. In a country like India the evils of state management are likely to be aggravated as the corrective of a strong public opinion will be absent. State management might lead to increased burdens upon the travelling public. The rates charged will then assume more and more their real character of taxes and the scale will be determined by the financial necessities of the state.

"It is eminently desirable that some one should be present to protect the interests of the geneural tax-payer and the travelling public. There is no machinery now to place before the board in time the views of the persons most affected by their decisions, especially as regards dates, etc. The same principle which underlies the industrial commisssion's recommendation about a commercial member justifies the admission into the board of an accredited representative of the general public.

"The present freedom of the companies as regards choice of staff is viewed with some degree of distrust by the Indian public. The restricted employment of Indians on company managed railways is a source of irritation to the people and is one of the two powerful reasons for the public predilection for state management. It is better that Government should have control in respect of staff too and should facilitate employment of Indians to the fullest extent. I accordingly think an extension of the board's powers necessary to enable it to secure the admission of Indians into responsible position on company-manged lines with powers. Government and the board can do much in this respect.

"I have consistently advocated a policy of conservation and improvement and have deprecated further construction of main lines. I think the maintenance and improvement on the existing lines are far more important than extension. India is now fairtly well equipped with main systems of railways and having regard to financial results of the railways the time has come for a halt in new construction. Extension at the expense of improvement is indefensible. The annual allotments of new construction far from being inadequate have a head on another.

"I know this view is opposed to the conclusion of the Mackay Committee. Whether this view is justified or not there can be no question that the financing of new schemes while improvements are not adequately provided for is unsound in principle and involves the Government in ever increasing financial commitments. The larger the total mileage the heavier is the recurring financial responsibility for maintenance and improvements. This is anything but conducive to public interest and not only that Government will have the greatest difficulty for supply of funds. Railway developments by starving other departments is certainly good for the country.

"The strength of the Indian money market justified large exploitation before Indian budget and that lapse should be carried forward. The Chamber agree that no alteration can be made in the existing system of reserving funds to meet English liabilities for stores to be supplied, but would suggest that early intimation be given to India of anticipated lapses in England so that arrangements may if possible be made to utilise the funds in India.

"The chamber strongly urge that the system of control by Government of rates and fares should be remodelled and that a fair ratio in rates and fares should be established for the deveopment of industries as well as for the expansion of import trade. In this connection the chamber would draw attention to the following recommendation of the industrial commission, Para 272, on the subject: "The governing principle we think should be followed in railway rating. So far as it affects industries, it is that internal traffic should be ruled as nearly as possible on an equality with traffic of the same class and over similar distances to and from the port." For the settlement of disputes between trade and railways the chamber think that arbitration boards should be established as the provison in the Railway Act for the appointment of the railway commissions for such purposes is unworkable. To enable railways to meet the requiremens of industries it is essential that an adequate supply of rolling stock be arranged for as early as possible, particularly for the transport of coal which is of vital interest to all industries.

BRITAIN'S FOREIGN TRADE.

By Sir Arthur Black.

Manufacturers who cry to be delivered from foreign competition are crying for the moon. If we build tariff walls, the foreigner will scale them, or get round them, or find a hole through which to push his goods. Anti-dumping Bills will not save us. They would be obsolete and ineffective within a month of receiving the Royal assent.

To attempt to stop the inflow of silks and ribbons from France, or toys from Germany, or iron rails from Belgium, or embroideries from Switzerland, or hosiery from Japan, or machinery from America, or timber from Norway and Sweden, or butter and eggs from Denmark, or silk yarns from Italy—to name a few articles only by way of example—is to try to sweep back the incoming tide with a mop. It cannot be done.

Would it be good for the country if it could be done? Would it be good for the manufacturer? A little reflection will prove, I think, that it would in the long run be bad for both.

French silk cloths and ribbons and trimmings have become essential "raw materials" for the dressmaking, millinery, and blouse making industries. Inspite of years of experiment Nottingham has so far failed to produce embroideries to equal the Swiss article, either in price, quality, or design. Swiss embroidery is the "raw material" of the blouse trade, and it would be a bad day for the making-up trade if Swiss embroideries were shut out.

Foreign competition in the past has certainly been good for the consumer. It has given him a good article at a cheap price. The British manufacturer faced with foreign competiton has overhauled his plant, improved his organisation, speeded up the output, produced a better article, catered for his customers' needs. He has been put upon his mettle, and on the whole the competition has been good for him, good for the particular trade, and good for the country as a whole.

Keener competition.

In every department of trade and manufacture foreign competition has been keen for years. It will almost certainly be keener in the future. We shall have to meet it, because we cannot get rid of it. It is impossible to-day to shut the world up into small watertight compartments, having no connection one with another.

Everybody knows that by climate or circumstance or special aptitude some localities can produce a specific article better and cheaper than it can be produced in any other locality. Yorkshire has become famous for wollen and worsted goods, Lancashire for cotton, Nottingham for lace, Leicester for hosiery, Northampton for boots, Luton for straw hats. The particular trade flourishes in the particular locality, and the operators in each locality become extra skilful. Oddly enough, this extra skill seems to be transmitted from one generation to another, and the deftness of the worker becomes a decided asset in economic production. What is true of localities is true of countries. Examples to prove this will occur to every thinking person. It is, therefore, desirable that each country or locality should produce what it can produce best.

If this principle be conceded all tariff walls would be broken down and every artificial hindrance to international trade would be removed. Our ships would carry our goods to every port in the world, and in exchange would bring back the produce of every land. It is an axiom that he who will not buy cannot sell. To refuse the right of the foreigner to sell to us is to prevent the foreigner buying from us. In the last resort, trade is barter.

At this moment, in almost every industry, trade is stagnant. We cannot sell our goods because the foreigner cannot buy. The countries of the Continent are starving for the goods that are crowding the warehouses and factories of England, but they have neither money nor goods to send us in return, or if they have goods the means of transport are laking.

Unprecedented stagnation.

Industry in Great Britain is suffering from the most complete stagnation experienced in living memory. The reason for this in not to be found in foreign competition. There is no foreign competition at presesnt to speak of. Germany is out of the fight untill the exchange becomes more normal. The real reason factories have closed down and unemployment is so prevalent is that our customers in South America, in Australia, in India, and in all overasea markets cannot pay for goods already shipped. Commercial houses of the highest standing find it impossible to take in goods purchased when values were probably double those ruling to-day. Orders have been cancelled, or deliveries of goods ready for shipment are being delayed. This is adding to the financial stringency experienced by all manufacturing businesses, and makes it impossible to go on manufacturing goods which at present cannot be marketed.

The decline in values so welcome to the consumer makes serious problems for the manufacturer. Financial stringency is the rule in every market of the world. This stringency throttles enterprise, and prevents buying even where the need of commodities is pressing. Italy at present must pay four pounds of Italian money, and Rumania must pay more than ten pounds worth of Rumanian money for one pound's worth of British goods. To buy on these terms is practically impossible. Difficulties like the present cannot be removed by a stroke of the pen. Debased currency is largely responsible for the trouble, but too rapid deflation would almost certainly aggravate the evil.

All that we ask of Governments is that no hindrances shall be placed on the free exchange of commodities between nations, but tariff walls and anti-dumping bills will put us "out of the frying pan into the fire."

(*Yorkshire Obsevrer*)

THE TRADE SLUMP.

The cotton trade.

It is practically twelve months since the slump first made itself felt in the cotton trade. The present situation is of greater significance if we review, very briefly, the trend of events since March of 1920. Prior to that month there was a boom during which high prices ruled, and during which contracts for yarn, cloth, goods, and similar lines were freely placed with all classes of handlers. In March symptoms of uneasiness in the States at the state of prices were manifested, followed by a visible slackening and dropping prices. Liverpool stocks were ominously heavy, and the new crop prospects were not hopeful The then situation was complicated by the concurrence of wet, late planting, the U. S. railroad strike, and the increased English Bank rate, which this month went to 7 per cent.

A Becalmed Market.

In May the market was becalmed on this side of the Atlantic, and on the other the strike of textile workers at New Bedford indicated no pleasant state of affairs. The Indian went to 7 per cent. The Indian outlook was not improved by a fall in silver, the decline of which continued through June. Better news came from the belt in this month, but in Manchester the trade slump was exceptionally severe. In August short time was, it will be recalled, recommended by the Manchester spinners, and became a fact in December to the extent of 50 per cent. With the incoming of the new year hopes were entertained that the position was about to improve. They were faint and they were soon falsified.

Stagnation and uncertainty.

The situation at the moment is more gloomy than it has yet been, except in the sense that the blackest hour is proverbially before the dawn. The Liverpool stock on figures, it is true, is lower, but this is caused by a slackened supply and not by an increased demand. Manchester consistently reports that there are no signs of an improvement in that direction. Quotations are made and made comparatively freely, but meet with no response. The key notes everywhere are stagnation and uncertainty. The carriers of stocks bought under contract at high prices dare not unload at ruinously cut figures, and the consumer is on strike against a cost in any sort of proportion to the original buying prices. It is deadlock. As far as India is concerned the situation is handicapped for improvement by the depleted value of silver, the chief currency token of the market, even if other things were equal, which they are not. At home, shortage of lobour, the eight-hour day, and short time jostle on men's tongues and in their minds to the confusion of the outside understanding. It would seem that chaos is not too strong a word to apply to any phase of the industry.

Deliveries to Spinners.

Recorded figures show the situation as being grave, but hardly so bad as rumour would imply. The average week's deliveries to spinners to this period of 1909, the worst previous year, were :—American, 54,260, and total, all sources, 69,260. The average to this period of 1920 were :—38,680 American, and 47,590 all sources. A recent week's delivery to spinners shows :—American, 31,647, and total, all sources, 38,475. These we table for ease of comparison :

Deliveries to Spinners.

	1909 (Avurage).	1920 (average).	1921 (specimen).
American	54,260	38,680	31,647
All sources	69,260	47,590	38,475

It will be noticed that the total deliveries in the 1920 average are less than deliveries of American alone in 1909, and the total in 1921 less than deliveries of American alone in 1920. The comparative state of the trade is more startling if it is remembered that in the immediate pre-war year United States deliveries were 84,443, and the total deliveries 99,211, averaged weekly, a difference from our specimen recent week of 52,796 American and 14,768 all sources.

Effect on Liverpool.

Deliveries to spinners are the key to trade states. The effect of this depression is, of course, heaviest upon the people immediately concerned with cotton purchase and sales, but its weight is *felt hardly less slightly* by general trade. It is a truism to say that Liverpool is its cotton trade. It is true that there are other industries and activities which would flourish on the Mersey if the port did not berth or ship another bale or another garment, but essentially and primarily the prosperity of the multitudinous interests which make up the total life of the city depends upon cotton, and follows, to a greater or less degree, its fluctuations. Slack trade in this direction means tight local money with a poor circulation. It means less retail luxury sales, less communal activity for amusement and sport, less readiness and ability to support the non-productive phases of work and wages. This, in turn, means a prevalent sense of dejection and discomfort amongst even the comfortable classes. With regard to the border-line population, the effect is slightly more direct and immediate. The supreme characteristic of cotton to the manual worker of the port is that it demands more than any other form of merchandise a maximum amount of man-handling. It has a certainty of detention *i. e.*, it is man-handled into warehouse and man-handled out for transport. Many other cargoes are, of course, shipped in for transport only.

The Worst Feature.

The worst feature of the situation, perhaps, from the view-point of cotton itself, values show no sign of early stabilisation. Traders trapped by high price contract buying feel themselvs in a cleft stick. On the other hand, not only is the Liverpool customer standing out of the market against such prices, but his own customer, in turn, is not buying even at reduced figures. There are, in addition to this, certain classes of goods held for which there is no demand whatsoever, and these lie and consume warehousing and capital. Internationally the condition almost approximates to a vicious circle. Exchange will continue to operate against good trade until it is steadied and approaches normal.

(*Liverpool Post*).

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THE FUTURE OF INDUSTRY.

Times are changing with sudden rapidity. The war has shown conclusively how powerful India is. Everywhere new movements are springing up and new spirit is pervading. People have begun to shake off their lethergy and come forward to play their part in the world movement. They have begun to realise their helplessness in the present economic crisis. In the past, Indian products were known throughout the entire world for their unequalled quality. That Indian cutlery and other steel products extended to the remotest corners of the world was due to the fact that the Government of the country was entirely in their own hands. The people of the land received the royal patronage of the Rulers and were determined to develop their industries in their own way to the fullest advantage of their own country and to help the other parts of the world requiring Indian products. The war has opened the eyes of people. While huge schemes are being put forward for an Imperial Parliament, Imperial credit and banking, Imperial tariffs, protection and development on the one hand, and Internationalisation of trade, industry and labour on the other, people in this country are all most anxious to act together in every way for their common interest, ignoring all party and communal differences which have not only kept them aloof from one another but have seriously set back all industrial and economic progress affecting the millions of the people of the land. In order to deal satisfactorily with the many problems of common interest, the necessity for a central organisation to serve as a permanent arrangement for keeping the various institutions already scattered throughout the country in close touch with each other is being recognised.

WANTED CAPITAL AND ORGANISATION.

There are several ways in which the business of this country can help in strengthening the economic movement outside their own activities. Indians should learn to trade and do business with one another more than they are doing at present. In India there are a great many manufacturing establishments which are built and controlled by foreign capital. A great deal of capital is needed to develop our country and it should preferably be furnished by the people living in India. Foreigners do not make investments in India merely from friendliness but only for the purpose of getting a good return. At present, it may be that much spare capital is not available for investment but such conditions will change very soon and people must make investments largely in the indigenous industrial enterprises in preference to money-lending. The war has brought to light conclusively that infinite possibilities are lying open to the people of the land and it is but prudent that they should avail themselves of the great opportunities that are offered to them. Indians should take to manufacturing lines and must first buy and sell as much as possible among themselves. Every transaction implies two profits and it is wise to keep them both within the country, thereby adding to the wealth of the Indian nation. It is largely to their own interest if they buy as much as possible in their own country and to sell to the other parts of the world to provide their needs. Till now, India has purchased enormously from foreign countries and thus considerably helped them, even at a sacrifice, by making substantial allowances in the customs tariffs. Many of the things India hitherto purchased from Europe, Japan, the U. S. A. and elsewhere in the past, she could not make locally and it is hoped that more of the things she has hitherto imported might be manufactured in the country itself where abundance of raw material, labour and natural resources are available to be turned to the best advantage. For instance, Canada, a country with a bright future for industrial development feels that she imported from the United Kingdom over half a million dollars worth of knives and other cultery in the last fiscal year and also bought in the same period the same articles to nearly twice that amount in value from the United States in spite of the fact that Canadian dollar is at a heavy discount in the United States but commands a premium in the United Kingdom. Thus, from an international stand-point, one country is benefitted and enriched by another with of course mutual obligations. If India is to prosper and destined to rise in the scale of the nations of the world, at least to regain her past world-wide reputation in commerce and industry, she must take advantage of her valuable resources by manufacturing all the things she needs to supply the demand of the millions of the people of the country and by exporting her manufactures to the various parts of the world which are in need of them, thereby strengthening herself economically and helping other nations in supplying all the things they need for their existence, comfort and happiness.

KEY INDUSTRIES.

Young men of India must turn their attention to the development of the "Key industries." For instance, there is a large demand for electric lamp carbons and carbon electrodes to justify the establishment of factories to manufacture lamp carbons. Even the products of the British factory have had to compete with the imported goods of very high quality from France, Spain, and America for which consumers pay gladly 40 per cent. above the British prices, thus recognising the superior merits of the foreign article. Another essential industry is the manufacture of gauges necessary for engineering shops, machine tools, and scientific glassware such as glass tubing. Even the advanced industrial country like Great Britain lags behind in respect of these key industries. If Indians take to these industries and work them successfully, they not only serve their mother country which has given them a place of existence but also help the Empire at large so far as the deficiencies of the Empire are concerned.

EXCHANGE.

The differences in the exchange have been affecting very much the conditions of trade. The greatest essential is the export trade on which depend the employment of millions of the people and the prosperity of the agiculturists and the masses. Men who were anxious to buy any amount of goods at almost any price have begun to think that the finances of the world were not able to stand the great expansion in prices and even the banking institutions are restricting credit. Whether the present standard of comfort and amusement can be maintained or not is one of the important problems engaging the attention of the leading thinkers. One effective way of relieving the country from serious economic drain is to curtail Government expenditure and to reduce the burden of the tax-payer. It is in the best interests of the Government as well as the people that the industries of the country are relieved of as much taxation as possible at the earliest possible moment. Abnormal fluctuations in the exchange have retarded the industrial progress of the country. The Government must not interfere too much with the exchange but leave it to its natural course. But for Government aid and protection, there would be no inducement to any one to provide new capital for the development of industrial enterprises and the result would be stagnation and depression.

PROTECTION.

Every country in the world, including Great Britain, had its share of protection in the earlier days. If India is to become prosperous, stronger, wealthier and more self-supporting than she is to-day, her industries should be protected with fair discrimination against foreign nations. To-day, for instance, many Canadian industries are so strong that they can compete, given fair conditions, in any market of the world, but without a protective tariff in their early years they would not to-day exist. This argument holds good even with greater force in the case of India whose industrial enterprise has just begun to take any definite shape and there are few Indian industries worth the name that can cempete in the world's markets against foreign manufatures. For countries like Canada, it is all well to talk of Free Trade and Imperial Preference while the infant Indian industries stand in an altogether different position. *Canada* says,

"There is a very strong feeling in Canada that its bacon, its apples, its timber and other raw materials, and even that its specialities, such as calcium carbide and other products of its cheap hydro-electrical power, should have some preferential access to British markets, and we are convinced that it is in the best interests alike of the Mother Country and Canada that this should be realised. In our view, fetish of free trade is destructive to the legitimate and necessary development of the Empire. We should not be dependent on foreign countries for our cotton, our sugar, our wheat, or even our metals, when it is known and proved that within the Empire all these necessaries can be supplied in abundance if only reasonable protection is given the capital to encourge their production until the industries are in a position to meet world competition."

TRADE CRISIS.

A contemporary writes "The British manufacturers,have not always observed the sanctity of contrcts. Are they unaware of the fact that their compeers in the machinery industry cancelled contracts placed with them by the Indian manufacturers on the plea of the war, and that these manufactures have now to pay a very huge price for getting the same machinery ? The blame lies certainly with the Government of India who took undue liberties with the exchange question.

The threat of the British manufacturers regarding cessation of business etc., is hollow when we consider that the moment they carry on their wish, ruin will stare them in the face. The United States and Japan have pushed their goods in the Indian markets during the war and are ever ready to utilise any opportunity given for introducing their goods. Besides the Swadeshi campaign is daily gathering strength all over the country. It means a dangerous portent to Lancashire, the unbending attitude with regard to the present crisis of the exchange only eggs on the campaign.

The absorbing topic in the rice market of Rangoon is the question of freight. The B. I. S. N. Co. had a practical monoply of carriage of rice from Rangoon to Calcutta, Bomby and other parts of India, during the period of war and Rice control, and hence the company was in a postion to "dictate its terms" to the local merchants and charged Rs. 10 and 20 per ton of rice. Times have changed, however, and at present there is a keen competition between various rival Steam Navigation Cos., who seem to be ready to take up cargoes of rice at a lower rate. But the B. I. S. N. Co., stands obdurate, and possibly wishes to brave it."

HOTEL INDUSTRY.

The Local Government's reply to a question at the meeting of the Madras Legislative Council, held recently was that the "Central Hotel" at Ooty was bought by Government for Rs. 90,000 and that the catering scheme is being run by the Government. It is clear that the management is in the hands of the Government and the business is not entrusted to any private firm.

"INDIANISATION OF RAILWAYS."

The following letter was addressed to the Indian Railway Committee, Bombay, by Mr. B. Das, of Bombay :—

I have the honour to lay the following statement before your Committee as my well considered personal view points in the matter. I am senior partner of an Indian firm of Consulting Engineers and a member of the Indian Guild of Science and Technology. My views and opinions are therefore synchronous with the best scientific and technical minds of India—those who believe in the salvation of India through Industrial and Economic Autonomy.

1. *State Control and State Management Advocated.*—I believe in the nationalisation of railways. I interpret State control and State management by the simple word "Nationalisation." All modern Governments must become people's Governments and in the ideal condition the interest of State and people are one and identical. I hold railways to be public utility concerns and they should not profiteer.

Germany advocated nationalisation long before. Great Britain saw its advantage in the middle of war and nationalisation of railways, mines, motive-power-supply-concerns in England are sure facts to-day in spite of opposition of capitalists and vested interests.

If the function of good Government lies in the economic prosperity of a people, India must have her railways and other means of transport as "State owned and State controlled".

2. *Company [Management Condemned.*—Indian Railways are all company managed. I include State owned Railways under this heading as these are replicase of company managed ones for the present and are failures so far as India and Indians are concerned. I condemn company management for :—

(*a*) Its large capital expenditure without an eye to the probable income. As in most cases most of these railways were subsidised or guaranteed their minimum dividend by the State no steps were taken for economic expenditure. I deplore it the greater as the Indian tax-payers will have ultimately to pay every pie of such transactions at the time of nationalisation.

(*b*) Its large establishment in India and outside India mostly manned by non-Indians at heavy recurring expenses.

(*c*) Its lack of co-ordination amongst each other and with the people of the country.

(*d*) Its gross neglect for the comforts of 3rd class Indian passengers who form the general mass of Indian public and who contribute most to the profit of these railways.

(*e*) Its apathy neglect and even sullen demeanour towards Indian indigenous industries.

(*f*) Its criminal negligence and bar against Indians in entirely shutting them out from Railway technique and management thus debarring development of Railway Science and Engineering amongst Indians.

(*g*) Its fostering class hatred and race hatred by differentiating and showing preference to particular classes.

I need not elaborate upon these points as these are all well-known themes and Indian leaders of all shades and opinions hold same views on the subject.

3. *Advantages of State control* :—are as follows in my opinion.

(*a*) State management will centralise control and administration. It will reduce expenses in doing away with diffierent offices in India and outside India and in having one controlling office at Delhi attached with the Imperial Government.

(*b*) It will work for public good working itself as a public utility concern like municipal water-works, irrigation works, etc.

(*c*) It will utilise services of the sons of the soil and develops Railway Science and Railway Industry in India.

(*d*) It will foster and develope national indigenous by rating low tariff for raw-materials and giving such preferential facilities as would benefit Indian industries. No benevolent company management can do much in this direction.

(*e*) It will build up Indian Engineering houses which will manufacture parts or whole of railway appliances.

(*f*) It will control and poll all rolling stocks and materials. There will be no chance of waggons returning empty from one end of the country to another because it belongs to another company.

(*g*) It will do away with the costly establishment of different Railway Workshops. These workshops will be utilised for mass production by standardisation of their produce.

(*h*) It will relieve the sufferings of 3rd. class passengers by treating them as citizens of the Indian Empire and not as "dumb driven cattle."

4. *Abolish the Railway Board.* Railway board is an anachronism, I strongly recommend its abolition. It has failed in its duty in not protecting the rights, privileges and interest of the people. It more represents the vested interests of capitalist exploitation than any other interest. I consider it an useless burden on the Indian tax payer.

5. *Minister of Railway and Marine.*—I recommend the creation of an Imperial Minister of Railways and Marine controlling land and water transport system for the weal of the sons of India. All transport that may lead to economic prosperity of India and Indians should be under his control and he should be subjected to the voice of the Indian Legislative Assembly. Such a minister should be in charge of :—(a). Railways (b). Canal Transport (c). Sea Tranport (d). Ports, Harbours, Docks &c. There should be uniformity in rates of tariff without rivalry among these systems of transport—the common goal being the economic prosperty of India. I need not develope the functions of his staff or advisers as these are mere matters of detail.

6. *General Remarks.*—I am of opinion that financial difficulties will not come in the way of the State if the State takes its people into its confidence. Objection may be raised as regards efficiency of management under state control. I hold that State Management is more efficient than company Management. State and people one, State does not have recourse to capitalist method of management. There is no better efficiently managed department than the British Admiralty. The British admiralty is a very scientific, highly technical and efficient concern.

I may cite also the isnstances of the Glasgow Corporation Tramways and London Country Council Tramways both managed by the people and both are classed as the cheapest running concerns in the United Kingdom. The Glasgow Tramways, though it charges the cheapest fare in the world, has written down all its capital investment and is no burden to the tax-payer to-day. Indian railways under State Management would do the same.

I consider 3rd. class passenger rates very abnormal. It is an open secret that experts from England have condemned it and the policy should be to lower rates and tariff in every direction.

I have not touched on details or arrangement to be carried out if the State takes over management from sub-sided companies or on matters relating to inter-relations with Indian States and I am willing to go into the matter in detail if required.

In presenting before the foregoing statement I have to draw the attention of your committee to the "signs of the time". We are living in the most discontent age—Capitalism and Bureaucracy are giving way every where to Socialism and Democracy. Your deliberations should breathe of the free spirit of the New Age and let profiteering and domineering yield before the rising sun—Socialistic Democracy.

If the spirit of reform be everywhere, let me ask you to show it by bringing in radical change in the constitution of Indian Railways and you will solve the key-problem of India's discontent at present—the struggle of India and Indians for Industrial And Economic Autonomy.

PIECE-GOODS.

Piece-goods Mrrchants' Association. Madras :—At an Extraordinary General meeting of the Association, held on the 28th February with Mr. P. A. Aiyannah Chetti in the chair the following resolutions were carried (1) Having regard to the present financial crisis and in the interests of future foreign trade in India, the members of the Association resolve that all further imports should be stopped for a period of twelve months and urges importers of foreign goods in other parts of India to support them : and (2) Requests Government to pass a measure temporarily discouraging all imports except foodstuffs, drugs, machinery and books by imposing, for a period of twelve months an extra customs levy, fully equivalent to the depreciation of the rupee below par.

THE PIECE-GOODS MERCHANTS OF BOMBAY

Have passed a resolution not to clear bills unless the exchange was establised. Mr. Mun Mohan Das Ramji appealed to the members of the above association to stand firm and refuted allegations of bad faith and lack of commercial morality made against the Indian Merchants in the Anglo-Indian press.

Reuter's message says that at a general meeting of the East-Indian Section of the London Chamber of Commerce and Indian Merchants, a resolution was pssed strongly disapproving of the action of the commercial Associations in India in instructing their members to refuse to pay drafts unless the rate of exchange was fixed at 2sh per rupee, declaring that it was contrary to business morality and destructive of the sanctity of contracts. The resolution also proceeded to state that the action taken by the Piece-Goods Association would have a most damaging effect upon all present and future business with India.

A WIFE'S CASH VALUE.

From the purely material point of view, of course, a wife has a cash value. She does the housework, the cooking mends her husband's clothes, knits his socks and does many other things which save his money.

From the financial point of view the wife is the poorest paid of all workers—but the average wife does not reckon her wages in terms of pounds, shillings and pence. Neither does the average husband assess the true value of his wife as so many pounds.

Love, sympathy, understanding, comfort these are the things which constitue, the true value of a wife and all the wealth in the world cannot bring compensation for their loss.

MADRAS MARKET REPORT.

Skins and Hides and Tanning Materials.

For the fortnight ending 15th March 1921.

			Rs.	A.	P.	to	Rs.	A.	P.
1	Tanned Cow Hides ...	per lb.	0	8	0		0	10	0
2	Do. rejection...	do.	0	4	0		0	6	0
3	Tanned Cow Calf ...	do.	0	10	0		0	12	0
4	Tanned do. rejection.	do.	0	6	0		0	7	0
5	Tanned Buff Hides ...	do.	0	6	0		0	7	0
6	Do. rejection...	do.	0	4	0		0	5	0
7	Tanned Buff Calf ...	do.	0	7	0		0	9	0
8	Do. rejection...	do.	0	4	0		0	5	0
9	Tanned Goat Skins ...	do.	1	4	0		1	8	0
10	Do. rejection...	do.	0	12	0		1	0	0
11	Tanned Sheep Skins...	do.	1	8	0		2	0	0
12	Do. rejection...	do.	1	0	0		1	4	0
13	Drysalted Goat Skins.	per 100 skins.	100	0	0		140	0	0
14	Do. rejection...	do.	30	0	0		50	0	0
15	Drysalted Sheep Skins.	do.	60	0	0		80	0	0
16	Do. rejection...	do.	20	0	0		30	0	0
17	Wetsalted Goat Skins.	do.	90	0	0		130	0	0
18	Do. rejection...	do.	25	0	0		40	0	0
19	Wetsalted Sheer Skins.	do.	55	0	0		75	0	0
20	Do. rejection...	do.	20	0	0		25	0	0
21	Wetsalted Wool Sheep Skins ...	do.	30	0	0		60	0	0
22	Do. rejection...	do.	15	0	0		25	0	0
23	Avaram Bark ...	per 500 lb	12	0	0		25	0	0
24	Konnam Bark ...	do.	10	0	0		15	0	0
25	Myrabolums ...	do.	15	0	0		25	0	0
26	Gingelly Oil ...	do.	160	0	0		190	0	0
27	Chunnam ...	per pagoda.	6 porais.						

S. I. R. Directory and Advertiser.

We have received a few copies of this booklet. The Railway Passengers' Association will do well to publish a brief report of the work done by the Association, its present membership and financial strength and the kind of work it proposes to do to render practical help to the passengers. The booklet contains adertisements of Messrs. Gauth & Co., Madras.

BRITISH CUTLERY TRADE.

THE EXCHANGE HANDICAP.

Notwithstanding prophecies of a revival of trade, which have been conspicuous in some circles complaints are more numerous than ever. This does not necessarily mean that the position has become worse. In fact, in some directions things are rather more active and cases can still be found of orders being turned away. People, however, are feeling the effects of the slump more acutely than before. In the absence of orders some makers have gone on producing for stock, but in a falling market this is too expensive a luxury to persist in, and it is feared that the firms concerned will have no other course but to discharge some of their hands. Every day that this absence of buying prevails adds to the difficulties and perplexities of traders, whose state, therefore, is becoming worse. Mr. Hughes Bolckow, an undoubted Northern authority on iron and steel, has expressed an opinion that Continental makers will soon have their books filled up, and then home-users will have to place orders in their own country. Reports from Belgium and Lorraine however, indicate that the works there are wanting business. Since British prices fell, a certain amount of work has come in from users who are particular about quality, and do not find the terms of business enforced by the foreigner suitable, but this does not yet amount to much in the aggregate, and the number of furnaces in commission is less than a few weeks ago. The movements of the exchanges lately have been very disappointing. Transactions in industrial shares have indicated a lack of confidence on the part of the investing public.

PROTECTIVE LEGISLATION.

Speculation is rife as to the prospects of local industries being included in the forthcoming legislation for the safeguarding of various trades. The efforts to secure the recognition of tungsten powder and magnet making as "key" industries are believed to have a good chance, but they are likely to be the only articles on the list which are made in this district. Sheffield products, however, may figure more largely in that part of the promised bill which safeguards manufacturers against the artificial competition occasioned by the abnormal state of the exchange. Such measures are capable of affording considerable temporary relief to those firms unable to combat the rivalry of competitors who can under-sell them often by 50 per cent. or more; but the advantage will be limited to the home-market. It cannot help much in foreign markets, where no similar legislation is adopted. British firms who have taken up the manufacture of aluminium, scissors, twist-drills, hacksaws, and several other commodities which before the war were largely German monopolies, are confident of being able to hold their own in any natural competition, as they are producing under the best possible conditions as regards plant and system. That is to say, they would need to ask for no protection if the exchanges were normal.

STEEL-MAKING ALLOYS.

If the market for ferro-alloys be a reliable index to the state of the steel trade, the extent of the depreciation could scacely be exaggerated as buying and selling therein is almost at a standstill. The slump has been in existence for a long time, and the resulting drop in prices represents a serious monetary loss to many users and merchants who had large stocks on hand. Ferro-tungsten can now be bought almost at pre-war rates. Considerable quantities have been sold from stock at heavy sacrifices for the purpose of raising a little ready money, but now it is difficult to interest anyone in bargains, however attractive they may be. Current prices, however, are extremely artificial, some of them being less than the cost of production, so that they are pretty sure to rise when consumption becomes anything like normal again.

RAILWAY MATERIAL.

The position of railway material, notably axles, tyres and springs, is far from satisfactory. While the plants are running at present, the outlook for the rest of the year is not at all hopeful, because the state of the exchanges is driving into the arms of Germany valuable work which before the war was almost a monopoly of this country. British prices for such material were rushed up last year to a point which compelled buyers to cut down their orders to the finest limits. We notice that the value of the axles and tyres exported in January, given in the Board of Trade returns, averages nearly £60 per ton, and it is said that Germany can sell at £20 below that figure or even more. But, of course, English prices will have dropped somewhat since these shipments were contracted for. The South American railways who have always favoured this country in the matter of placing business for material, are gradually being drawn into the German net. Large modern tyre plants have been installed locally since the war began and home requirements will not suffice to keep half the available resources occupied. A good overseas connection is, therefore, indispensable.

IRON CASTINGS.

The difficulty which was experienced last summer in obtaining iron castings for engineering purposes has nearly passed away in consequence of the decline of presure upon the foundries. The price of castings has also been reduced by 30s. per ton. Some foundries, however, have still arrears of orders to complete. Notwithstanding the shrinkage of trade, it appears that the engineers of the country are still, or were very recently, dependent on foreign sources for iron castings, as 1,200 tons were imported last month, compared with only 109 tons in January, 1920, and 682 tons in Jauuary, 1913. The steel castings imported during the same month only amounted to 471 tons.

SWEDISH IRON AND STEEL.

Although Sweden benefited by the war perhaps more than any other neutral, the industrial and economic conditions in that country are certainly worse than in England. The iron and steel trade there has suffered from severe depression for a period of six months or more, and the carrying on of busines is attended by great difficulties. As an illustration of the present position, there were at the end of last year 42 blast furnaces working out of 123 3 Bessemer furnaces out of 18, and 30 open-hearth furnaces out of 80. Sales of Swedish iron and steel in Sheffield have been almost negligible for a long time. The heavy war stocks were responsible for this, but consumption has dropped to a low level, and users do not feel sufficient confidence to buy forward. This material has not shared to the full extent in the general drop in prices. There have been reductions, and the makers say that the current quotations are unremunerative. Japan is the only considerable buyer of Swedish pig.

CUTLERY TRADE CONDITIONS.

The conditions of the cutlery trade remain extremely depressed in both the home and export markets. There are a few individual exceptions. Firms with a well-established reputation continue to book sufficient business to keep their hands employed, and the table knife branches are generally fairly off for work. The smaller makers and those who started in business during the war are the worst sufferers. Buyers in Australia and New Zealand are not yet in a position to finance their orders, and as regards these Colonies a very large amount of valuable business is being held up. It is understood, however, that by the beginning of May the financial difficulty will have been cleared away and trading will be resumed. In the home market buyers are holding off, unwilling to risk putting goods into stock which may fall in price. Makers are re-costing and revising their lists, and prices are generally easier. The movement is being helped by reductions in the cost of celluloid and ivory. As regards spring knives and scissors, however, labour represents about 80 per cent. of the costs of production, and if these were on a lower level it would be possible for the makers to offer their goods at prices calculated to tempt business. The makers have asked the operatives to accept a reduction of 25 per cent. on their war bonus, which represents rather more than $12\frac{1}{2}$ per cent. on their remuneration. Several good orders for hotel plates have come forward, but otherwise little is doing in silver or plated hollowware. Keen German and Austrian competition in unplated spoons and forks is developing.

(*Sheffield Telegraph.*)

INDIAN MADE YARN

AN OFFICIAL STATEMENT.

Apropos the resolution of the All India Congress Committee that the use of "Charka" should be encouraged in order to make good the shortage of Indian made yarn, the Director of Industries in Bihar and Orissa states that there is no shortage in Indian made yarn but reverse is the case. He points out during 1919 the total imports of foreign twist and yarn into India after allowing for re-exports, were less than 13 million pounds and during the same period exports of Indian made twist and yarn were over 43 million pounds or nearly 12 times as much as was imported. Of yarn exported 120 million pounds went to China while 133 million pounds in all was exported from Bombay. These figures proved that instead of shortage of Indian made yarn there was a great surplus. Small amount of yarn imported is of fine kinds such as are not at present made in India. Replying to the argument that even if imports and exports show shortage there was the fact that large quantity of yarn imported into India in form of cloth, the Director of Industries states, the shortage due to that was relatively small one. From detailed figures he shows that the net deficit of cotton goods in India reckoned in shape of cloth is 11 million yards which only represents a percentage of the total or practically nil. The Director writes "These figures show how inaccurate it is to represent India as a helpless country, a foreign dominion, exploited by Great Britain in the interests of Lancashire manufacturers. The fact is that it pays India better to manufacture coarse goods for export and to import finer goods which suit the taste of educated classes from other countries and in particular Great Britain which can make them better and more cheaply. It is exchange of this kind which as every student of economics knows, is the basis of international trade and of greatly increased wealth of the world during the last century and a half. If Indians wish to encourage Indian textile industries their best course is to demand coarser cloths made from yarn of 30 counts and downwards which form the staple of Indian industry. To encourage manufacture of handspun yarn which cannot even be used on a fly shuttle loom economically on account of frequent breakages is ludicrous, while to attempt to teach young men of educated class to use handloom as means of livelihood in competition with hundreds of thousands handloom weavers in India who are eagerly awaiting increased patronage is nothing short of cruelty.

BOMBAY'S NEW INDUSTRIAL CENTRE.

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